

DIVISION OF MEDICAL ASSISTANCE

**INSTRUCTIONS FOR THE 2007 PERSONAL CARE SERVICE
COST REPORT – COMMUNITY SERVICES**

COST AND REVENUE REPORTING SYSTEM

**For Agencies Providing Services to Recipients
of Personal Care Services in the Community setting**

REPORTING PERIODS:

07/01/06 – 06/30/07

10/01/06 – 09/30/07

OR

01/01/07 - 12/31/07

Reporting Deadline:

July 25, 2008

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CONTACT INFORMATION:

If you have any questions regarding the Personal Care Service Cost Report, please feel free to contact **Cindy Bass** at the DMA Rate Setting Section at **(919)855-4214**. Fax# (919)715-2209 (faxed **Exemption Request only**). Email Cindy.Bass@ncmail.net

All information and forms are available on the Division of Medical Assistance's web site at: **<http://www.ncdhhs.gov/dma/costreport.htm>**

I. GENERAL INFORMATION

Objective: To require those entities providing personal care services to Medicaid recipients in a community setting to submit an annual cost report for the purpose of establishing reasonable reimbursement rate for Personal Care Service. The codes **S5125 (PCS) & 99509 (PCS-Plus)** are the only codes being considered in this cost report finding.

Enabling document: Each provider's Medicaid Participation Agreement

Report Due Date: All providers must complete the cost report for their operations *for their most recent fiscal year* and submit **in time to be received** at the Division of Medical Assistance by **July 25, 2008**.

Type of data submitted: DMA is only accepting a paper copy of the PCS Cost Report and Financial Statement (faxed and/or e-mailed copies will be accepted).

Late or Incomplete Submissions: – All incomplete or no submission of PCS data will be considered late after **July 25, 2008** and will be subject to a **20% Penalty**. The cost report will be considered incomplete if submitted without the financial statement supporting the cost report.

Compliance: All providers that are receiving Medicaid personal care service payments.

Action for Noncompliance: If cost reports are not received by DMA/Rate Setting Section by the **July 25, 2008** due date, the Division has the authority to impose a penalty on future payments until the provider submits the required cost report. All Information submitted is subject to verification. **Please know that a submitted, but incomplete cost report may still result in a 20% penalty.**

Location of Documents: Instructions for downloading the Personal Care Service (PCS) Cost Report application can be found on our web site at:

<http://www.ncdhhs.gov/dma/costreports.html>

You **can not e-mail your cost report or fax** in any PCS data to DMA.

- Please retain a complete paper copy of your cost report for your records.
- Please include an identifying Year, Agency name and the Provider number in the subject line of your correspondence.

Mail the Cost Report and Financial Statement: Please submit the original PCS cost report and your financial statement together. Depending on your facility's method for submission, (i.e., regular mail or express mail), failure to address your correspondence appropriately will result in late submission and your facility may be subject to a 20% penalty on future Medicaid payments.

Mail address: **(United States Postal Service)** Street Address: **(UPS, FedEx, DHL)**
NC DHHS NC DHHS

Division of Medical Assistance
Attn: Rate Setting/Cindy Bass
2501 Mail Service Center
Raleigh, North Carolina 27699-2501

Division of Medical Assistance
Attn: Rate Setting/Cindy Bass
1985 Umstead Drive
Raleigh, North Carolina 27603

Do **not** return the instructions for completion of the cost report.

COST REPORT GENERAL INSTRUCTIONS

This cost report should contain only PCS and CAP-DA Income and Expenses, for the
Cost Reporting Year 2007 (**07/01/06 – 06/30/07; 10/01/06 – 09/30/07**
OR 01/01/07 - 12/31/07).

- The Division of Medical Assistance's cost report will indicate cost areas as being direct, capital, non-allowable, and administrative. The purpose of this detail cost report is to establish a reasonable rate by capturing accurate cost data for the services being provided to your clients.
- Additionally DMA is providing a detailed set of instructions with guidance on which expenditures to be placed on each line.
- The agencies will also need to ensure they submit a copy of their audited financial statements if available, or their un-audited financial statements which will include the income and expense for the period that the cost report is covering.
- **The Financial Statement must support the cost data submitted on the cost report.** If the numbers submitted on the PCS Cost Report can not be verified on the Financial Statements, then a supplemental schedule is required to support cost entries. Providers with Financial Statements that do not have separate cost centers detailing PCS's expenses and the staff salaries/benefits prorated to coincide time spent providing these services, must separate and report all PCS expenses on a supplemental schedule.
- The Cost Reports will be considered incomplete if submitted without the financial statements supporting the Cost Report.
- The Personal Care Service cost report should represent personal care service costs whether they are within the Medicaid service definition or not. Those costs outside the Medicaid service definition should be reported in the appropriate section starting on line 58 of Schedule C.

This cost report has a Schedule D form to be utilized to indicate your method of allocating costs and **is required** if you are a provider who delivers multiple services or if you are submitting multiple cost reports **by provider number** with accompanying individual financial statements.

- Schedule D allows explanation if you use different allocation methods for different line items.
- Your cost report will be incomplete if this information is missing.
- Please clearly define your corporate overhead cost allocation(s).

If you are not required to use Schedule D, simply make as N/A and return it with your other Cost Report Schedules. Then on Line 11 of Schedule A, please indicate the basis for any allocation used.

Also please note that we have added columns to capture both paid and non-paid hours of service provided. We will be utilizing the non-paid hours to adjust the expenditures to include some cost for owners who are delivering service but are not compensated. This should ensure that all cost reports are comparable to each other in terms of expenditure.

COST REPORT INSTRUCTIONS FOR SCHEDULE A

GENERAL GUIDELINES:

The cost report may be prepared on a cash or accrual basis. Please indicate the method of accounting on your cost report on the Schedule A, line 10.

Please complete all lines of information so a complete submission can be received and reviewed.

Cost Report

Line Number

Description

Part I General

- 1a. Enter your Federal Tax ID number on line 1
- 1b. Enter your Medicaid Provider number as assigned by the NC Division of Medical Assistance.
- 1c. Enter your National Provider Identifier number (NPI) here.
2. Enter the mailing address for the entity which is submitting the cost report (city, state, and zip code and the agency telephone number). Enter the corporate name that matches the Federal Tax Identification number.
NOTE: This address will be used for all correspondence on line 2b.
3. Enter County name **where the agency is physically located**
4. Enter the name of the individual, corporation and/or entity to which the provider number was issued.
5. Enter the name of a contact person and their telephone number, if different than owner. This is the person who will be contacted if there are questions about the cost report
6. Enter the telephone number of the contact person.
7. Enter the date the agency began providing PCS services.

Part II Tax Information

8. Select the correct tax status of the entity in the Non-Profit or For Profit section of the Schedule A.

Part III Other Reporting Information

9. Enter the date your cost report period begins and the date it ends. This should correspond to the fiscal year's figures in the cost report and should represent the same period covered in the submitted financial statements.
10. Enter the type of accounting used regarding the expenditure and revenue information reported. (i.e. cash or accrual)

11. If allocations are made for the administration or other expenditures within the cost report, and can be clearly explained in this space please indicate the basis for this allocation. **If multiple types of allocations are made, please reflect these on the Schedule D indicating the respective line items the particular allocation methods apply to. If this data is required and not submitted, then your cost report will be incomplete.** See Schedule D

Part IV Certification of Accuracy

Signature of Provider is required with title and date. This person must be authorized to sign on behalf of the agency.

Indicate the name, title, telephone number, email address and fax number for the preparer of the cost report.

COST REPORT INSTRUCTIONS FOR SCHEDULE A-1
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The agency should use this form to indicate if the cost report represents multiple Medicaid provider numbers which are under the same agency/corporate name for which there is not a separate set of books kept; thus the agency is not able to separate the revenues and expenditures per each Medicaid provider number. These providers will be your PCS and CAP-DA numbers only.

If separate books and records are maintained a separate cost report must be completed for each Medicaid provider numbers.

COST REPORT INSTRUCTIONS FOR SCHEDULE B

GENERAL GUIDELINES: The figures presented on this revenue form should only represent all revenue received for personal care services.

- These figures will be compared to the agency's total revenues on the financial statements accompanying the cost report; thus in total should be less than or equal to the total revenue on the agency's financial statements.
- If any allocations are made in the placement of figures on this form, the method of the allocation should be explained on Schedule D.
- Failure to provide your "Allocation Method" will cause the cost report to be incomplete.
- All agencies are required to maintain documentation necessary to support any allocation of costs within the cost report to the various expenditures line items in order to match the total expenditures indicated on the agencies financial statements and in the Schedule B on line 19.

RECEIPTS ON FROM MEDICAID

1. Enter total revenues collected from, or on behalf of clients from Medicaid for Personal Care Services.
2. Enter total revenues collected from or on behalf of clients from Medicaid for CAP-Disabled Adults for In Home Aides II & III/PCS services only. **The CAP MRDD funds should be entered on Line 3 (Others) but is not applicable.**
3. Enter any other revenues collected from or on behalf of clients from Medicaid.
- 4-5. Lines four and five are available for entry of information as needed for other Medicaid receipts.
6. Line six is a **formula** cell to calculate the Total Receipts from Medicaid.

RECEIPTS FROM OTHER STATE AGENCIES OR THE COUNTY

7. Line seven is available for data needed for other state and/or county agencies' receipts.
- 8-9. Lines eight and nine are available for data needed for other state and/or county agencies' receipts.
10. Line ten is a **formula** cell to calculate the Total Receipts from Other State Agencies or the County.

RECEIPTS FROM PRIVATE PAY CLIENTS

11. Enter total revenues received from private pay clients seen by the agency.
- 12-13. Lines 12 and 13 are available for entry of information as needed for receipts from private pay clients.
14. This is a **formula** cell to calculate the Total Receipts from Private Pay Clients.

NON-CLIENT RELATED REVENUE

15. Enter total receipts from all sources other than for personal care services. Items to be included but not limited to: vending machine proceeds, cafeteria receipts, barber and beauty shop receipts, from investments, donations and miscellaneous sale of goods.
16. Line 16 is available for entry of information as needed for receipts from Non-Client Related items or activities.
17. This is a **formula** cell to calculate the Total Non-Client Related Revenues (Line 15 and 16).
18. This is a **formula** cell to calculate the Total Income Reported (sum of lines 6, 10, 14, and 17).
19. This line will populate automatically after Schedule C has been completed. Enter the total expenses. Line 98, Schedule C.
20. This is a **formula** cell to calculate the Net Profit/Loss (Line 18 minus Line 19). This represents the agency's net profit (loss) for the cost reporting period.

COST REPORT INSTRUCTIONS FOR SCHEDULE C

General Guidelines:

All agencies are required to maintain documentation necessary to support any allocation of costs within the cost report to the various expenditures line items in order to match the total expenditures indicated on the agencies financial statements and in the Schedule B on line 19. If allocations are made for the administration or other expenditures within the cost report, please indicate the basis for this allocation, i.e. percentage of total costs, full time equivalents. If multiple types of allocations are made, please reflect these on the Schedule D indicating the respective line items the particular allocation methods apply to.

DIRECT COST CENTERS

PERSONAL CARE EXPENSES WITHIN THE MEDICAID SERVICE DEFINITION

General Note: This is for all Personal Care Services provided to clients in the home based setting which **meet** the requirements of our service definition as outlined in the clinical policy on the DMA web site located at <http://www.ncdhhs.gov/dma/cc/ccsection6.htm>.

- For column 1- only paid hours are to be used in determining the hours worked. The paid hours would include holidays, sick time, and overtime. The overtime hours should be the actual hours worked and not the overtime ratio (1-½ hours) used to calculate the pay. These hours should correspond to the costs indicated in column 3.
- For column 2- indicate any hours provided for the provision of personal care service for which payment or compensation was not made to the individual. These could be hours worked by the owner, qualified volunteers, etc.

Cost Report Line Number

Description

30. Salaries / Wages for Nurses

Enter in column 1 the total number of hours worked by all paid Personal Care Nurses.

Enter in column 2 the total number of hours worked by unpaid nurse staff.

Enter in column 3 the wages for all paid Personal Care Nurses.

31. Payroll Taxes

Enter in column 3 the cost of taxes paid by employer for the nursing staff in item #30. Items include:

- FICA
- FUTA
- SUTA

32. Employee Benefit Program

Enter in column 3 the cost of benefits paid by employer for the nursing staff in item #30. Items include:

- Dental insurance
- Health insurance
- Life insurance
- Retirement
- Uniforms
- Worker's compensation

33. Training Costs

Enter in column 3 the cost of for the nursing staff in item #30 attending necessary training in order to be able to provide personal care services. Items include tuition / registration fees and training materials

34. Travel Costs

Enter in column 3 the cost incurred by for the nursing staff in item #30 to travel to participate in the required training indicated in item #33 above. Items include:

- Travel costs (mileage reimbursement, public transportation costs, etc.)
- Lodging (hotel/motel) costs when incurred for business related purposes
- Meals for facility personnel when incurred for business related purposes
- Parking fees when incurred for business related purposes

35. Contract Services

Enter in column 1 the total number of hours worked by contracted Personal Care Service nursing staff.

Enter in column 3 the cost of contracted Personal Care Services nursing staff.

36. Transportation cost associated with providing Personal Care Services by the nursing staff, these costs include the following:

- **Vehicle Maintenance and Upkeep:** The cost of all maintenance and upkeep on vehicles owned by the agency including registration fees for the vehicle, gas, oil, tires, lubrication, vehicle repairs
- **Reimbursed Employee Transportation:** When the employee uses their own vehicle and then is reimbursed for their expenses associated with their transportation to see clients in their homes to deliver personal care services.
- **Vehicle Depreciation:** The cost of the purchase of an automobile or van used for personal care transportation prorated over its expected life. Allocate only the portion of the costs associated with the delivery of the personal care if this same vehicle is used for the administrative staff as well.
- **Vehicle Rent:** The cost of automobile leases allocated based on the usage which applies to the delivery of personal care services.
- **Vehicle Interest:** All interest expense on vehicles used for personal care transportation
- **Vehicle Insurance:** All insurance expense on vehicles used for medical transportation.
- **Miscellaneous:** Other transportation costs associated with personal care service delivery which is not broken out above.

37. Other Direct costs

Enter Other Direct cost associated with the nursing staff delivering personal care services which are not broken out on the line items above. Please make a note on the cost report as to what these items are.

38. SUBTOTAL OF NURSE PERSONAL CARE COSTS: This is the additional of line 30 – 37 for columns 1, 2, and 3.

39. Salaries / Wages for Aides

Enter in column 1 the total number of hours worked by all paid Personal Care aide personnel.

Enter in column 2 the total number of hours worked by unpaid Personal Care aide staff.

Enter in column 3 the wages for all paid Personal Care aide personnel.

40. Payroll Taxes

Enter in column 3 the cost of taxes paid by employer for the aide staff in item #39. Items include:

- FICA
- FUTA
- SUTA

41. Employee Benefit Program

Enter in column 3 the cost of benefits paid by employer for the aide staff in item #39. Items include:

- Dental insurance
- Health insurance
- Life insurance
- Retirement
- Uniforms
- Worker's compensation

42. Training Costs

Enter in column 3 the cost of for the aide staff in item #39 attending necessary training in order to be able to provide personal care services. Items include tuition / registration fees and training materials

43. Travel Costs

Enter in column 3 the cost incurred by for the aide staff in item #39 to travel to participate in the required training indicated in item #42 above. Items include:

- Travel costs (mileage reimbursement, public transportation costs, etc.)
- Lodging (hotel/motel) costs when incurred for business related purposes
- Meals for facility personnel when incurred for business related purposes
- Parking fees when incurred for business related purposes

Please note: The PCS Travel cost for the Aides should not be considered in this data.

44. Contract Services

Enter in column 1 the total number of hours worked by contracted Personal Care Service aide staff.

Enter in column 3 the cost of contracted Personal Care Services aide staff.

45. Transportation cost associated with providing Personal Care Services by the aide staff, these costs include the following:

- **Vehicle Maintenance and Upkeep:** The cost of all maintenance and upkeep on vehicles owned by the agency including registration fees for the vehicle, gas, oil, tires, lubrication, vehicle repairs.
- **Reimbursed Employee Transportation:** When the employee uses their own vehicle and then is reimbursed for their expenses associated with their transportation to see clients in their homes to deliver personal care services.
- **Vehicle Depreciation:** The cost of the purchase of an automobile or van used for personal care transportation prorated over its expected life. Allocate only the portion of the costs associated with the delivery of the personal care if this same vehicle is used for the administrative staff as well.
- **Vehicle Rent:** The cost of automobile leases allocated based on the usage which applies to the delivery of personal care services.
- **Vehicle Interest:** All interest expense on vehicles used for personal care transportation
- **Vehicle Insurance:** All insurance expense on vehicles used for medical transportation.
- **Miscellaneous:** Other transportation costs associated with personal care service delivery which is not broken out above.

46. Other Direct costs

Enter Other Direct cost associated with the aide staff delivering personal care services which are not broken out on the line items above. Please make a note on the cost report as to what these items are.

47. SUBTOTAL OF AIDE PERSONAL CARE COSTS: This is the additional of line 39 – 46 for columns 1, 2, and 3.

48. Salaries / Wages for All Others

Enter in column 1 the total number of hours worked by paid Other staff doing personal care services, for example clinical administrators or schedulers dedicated to providing personal care services.

Enter in column 2 the total number of hours worked by unpaid Other staff doing Personal Care services.

Enter in column 3 the wages for all Other Personal Care personnel.

49. Payroll Taxes

Enter in column 3 the cost of taxes paid by employer for the other staff dedicated to providing personal care in item #48. Items include:

- FICA
- FUTA
- SUTA

50. Employee Benefit Program

Enter in column 3 the cost of benefits paid by employer for the other staff dedicated to providing personal care in item #48. Items include:

- Dental, Life and/or Health insurance
- Retirement
- Uniforms
- Worker's compensation

51. Training Costs

Enter in column 3 the cost of for the other staff dedicated to providing personal care in item #48 attending necessary training in order to be able to provide personal care services. Items include tuition / registration fees and training materials.

52. Travel Costs

Enter in column 3 the cost incurred by for the other staff dedicated to providing personal care in item #48 to travel to participate in the required training indicated in item #51 above. Items include:

- Travel costs (mileage reimbursement, public transportation costs, etc.)
- Lodging (hotel/motel) costs when incurred for business related purposes
- Meals for facility personnel when incurred for business related purposes
- Parking fees when incurred for business related purposes

Please note: The PCS Travel cost for the Aides should not be considered in this data.

53. Contract Services

Enter in column 1 the total number of hours worked by contracted other staff dedicated to providing personal care.

Enter in column 3 the cost of contracted Personal Care Services other staff.

54. Transportation cost associated with providing Personal Care Services by the other staff dedicated to providing personal care, these costs include the following:

- **Vehicle Maintenance and Upkeep:** The cost of all maintenance and upkeep on vehicles owned by the agency including registration fees for the vehicle, gas, oil, tires, lubrication, vehicle repairs
- **Reimbursed Employee Transportation:** When the employee uses their own vehicle and then is reimbursed for their expenses associated with their transportation to see clients in their homes to deliver personal care services.
- **Vehicle Depreciation:** The cost of the purchase of an automobile or van used for personal care transportation prorated over its expected life. Allocate only the portion of the costs associated with the delivery of the personal care if this same vehicle is used for the administrative staff as well.

- **Vehicle Rent:** The cost of automobile leases allocated based on the usage which applies to the delivery of personal care services.
- **Vehicle Interest:** All interest expense on vehicles used for personal care transportation
- **Vehicle Insurance:** All insurance expense on vehicles used for medical transportation.
- **Miscellaneous:** Other transportation costs associated with personal care service delivery which is not broken out above.

55. Other Direct costs

Enter Other Direct cost associated with the other staff dedicated to providing personal care services which are not broken out on the line items above. Please make a note on the cost report as to what these items are.

56. SUBTOTAL OF NURSE PERSONAL CARE COSTS: This is the additional of line 30 – 37 for columns 1, 2, and 3.

57. TOTAL OF PERSONAL CARE EXPENSES WITHIN THE MEDICAID SERVICE DEFINITION

(This total is calculated)

Enter in column 1 the total of column 1, lines 30 through 39.

Enter in column 2 the total of column 2, lines 30 through 39.

Enter in column 3 the total of column 3, lines 30 through 39.

PERSONAL CARE EXPENSES OUTSIDE THE MEDICAID SERVICE DEFINITION

General Note: This is for all Personal Care Services provided to clients in the home based setting which are outside the requirements of our service definition as outlined in the clinical policy on the DMA web site located at <http://www.ncdhhs.gov/dma/cc/ccsection6.htm>.

The following are examples of these items which should be documented in this section:

- transportation for shopping
 - painting in house
 - medication reminders
 - premium pay for private clients, etc.
-
- For column 1- only paid hours are to be used in determining the hours worked. The paid hours would include holidays, sick time, and overtime. The overtime hours should be the actual hours worked and not the overtime ratio (1-½ hours) used to calculate the pay.
 - For column 2 - indicate any hours provided for the provision of personal care service for which payment or compensation was not made to the individual. These could be hours worked by the owner, qualified volunteers, etc.

Cost Report Line Number

Description

58. Salaries / Wages for Nurses

Enter in column 1 the total number of hours worked by all paid Personal Care Nurses.

Enter in column 2 the total number of hours worked by unpaid nurse staff.

Enter in column 3 the wages for all Nurse Personnel.

59. Salaries / Wages for Aides

Enter in column 1 the total number of hours worked by all paid Personal Care aide personnel.

Enter in column 2 the total number of hours worked by unpaid aide staff.

Enter in column 3 the wages for all Personal Care aide personnel.

60. Salaries / Wages for All Others

Enter in column 1 the total number of hours worked by paid other staff doing personal care services.

Enter in column 2 the total number of hours worked by unpaid other staff doing Personal Care services.

Enter in column 3 the wages for all Other Personal Care personnel.

61. Payroll Taxes

Enter in column 3 the cost of taxes paid by employer. Items include:

- FICA
- FUTA
- SUTA

62. Employee Benefit Program

Enter in column 3 the cost of benefits paid by employer. Items include:

- Dental insurance
- Health insurance
- Life insurance
- Retirement
- Uniforms
- Worker's compensation

63. Contract Services

Enter in column 1 the total number of hours worked by contracted Personal Care Service staff.

Enter in column 3 the cost of contracted Personal Care Services.

64. Miscellaneous

Enter costs associated with the delivery of the personal care services outside the Medicaid service definition which are not broken out on the line items above. Please make a note on the cost report as to what these items are.

65. TOTAL OF PERSONAL CARE EXPENSES OUTSIDE THE MEDICAID SERVICE DEFINITION

(This total is calculated)

Enter in column 1 the total of column 1, lines 58 through 64.

Enter in column 2 the total of column 2, lines 58 through 64.

Enter in column 3 the total of column 3, lines 58 through 64.

INDIRECT COST CENTERS
ADMINISTRATION AND GENERAL

Cost Report

Line Number	Description
66.	<p>Salaries / Wages – Administrator(s)/Owner(s)</p> <p>Enter in column 1 the total number of hours worked by paid Administrator(s)/Owner(s).</p> <p>Enter in column 2 the total number of hours worked by unpaid Administrator(s)/Owner(s).</p> <p>Enter in column 3 all payments made to Administrator(s)/Owner(s) personnel for salaries and wages</p>
67.	<p>Salaries / Wages – Other Support Staff</p> <p>Enter in column 1 the total number of hours worked by paid Other Support Staff.</p> <p>Enter in column 2 the total number of hours worked by unpaid Other Support Staff.</p> <p>Enter in column 3 all payments made to Other Support staff personnel (secretaries, bookkeepers, systems staff, etc) for their salaries and wages</p>
68.	<p>Payroll Taxes</p> <p>Enter in column 3 the cost of taxes paid by employer for staff in items #66 and 67. Items include:</p> <ul style="list-style-type: none"> - FICA - FUTA - SUTA
69.	<p>Employee Benefit Program</p> <p>Enter in column 3 the cost of benefits paid by employer for staff in items #66 and 67. Items include:</p> <ul style="list-style-type: none"> - Dental insurance - Health insurance - Life insurance - Retirement - Uniforms - Worker's compensation
70.	<p>Meetings / Seminars / Training</p> <p>Enter in column 3 the cost of administrative personnel attending meetings, seminars, and conferences. This item should also include training for the direct care staff that is not required by their licensing or for billable services.</p> <p>Items include:</p> <ul style="list-style-type: none"> - Tuition / Registration / Fees - Training materials

71. Travel Costs

Enter in column 3 the cost incurred for training, meetings and seminars in item #70 as well as for training on other business related functions. Items include:

- Travel costs (mileage reimbursement, public transportation costs, etc.)
- Lodging (hotel/motel) costs when incurred for business related purposes
- Meals for facility personnel when incurred for business related purposes
- Parking fees when incurred for business related purposes

72. Contract Services

Enter in column 1 the total number of hours worked by individuals under contract.

Enter in column 3 the cost of contracted Administrative Services.

73. Employee Criminal Records Check Fees - Enter in column 3 the cost for employee Criminal Records Check fees.

74. Management Services -Enter in column 3 the cost of contracted Management Services.

75. Central Office Overhead - Enter in column 3 the cost of central office allocated to home for centralized services furnished by a home office.

76. Other Administrative Expenses

Enter in column 3 the other administrative expense not already broken out in the above line items to include:

- **Office Supplies and Materials:** the cost of office supplies and other administrative supplies. Items include: general office supplies, printed forms, letterhead and envelopes, checks, deposit slips, and other banking forms, non-capitalized equipment (fax machine, calculator, etc.)
- **Interest – Operating:** the cost of operating capital for other than fixed assets (land buildings, equipment, automobiles, etc.). Items include: interest on operating loans, fees for general lines of credit, interest on credit card purchases, and interest on other revolving credit purchases
- **Advertising:** the cost of advertising vacancies and providing information brochures and pamphlets to potential and existing clients
- **Amortization:** the cost of current write-off of capitalized items. Items include the cost of establishing the entity or organization
- **Data Processing/Computer system expenses:** the cost of operating a data processing unit or contracted computer services. Items include: contracted data processing services, software expense, data processing supplies

- **Legal and accounting:** the cost of acquiring contracted legal and accounting services the facility's operations.
- **Audit:** cost of having an audit performed by an accountant or Certified Public Accountant.
- **Telephone and Internet:** cost of telephone and internet services for all communication services (including pagers, cell phones, and etc).
- **Travel and Entertainment:** the cost of travel and entertainment for business purposes.
- **Dues and Subscriptions:** the cost of membership in professional societies cost of trade journals and publications.
- **Insurance – General:** the cost of all business insurance not related to property or employees.
- **Licenses:** the cost of federal, state, and local licensing fees.

77. TOTAL OF ADMINISTRATION & GENERAL (this is a calculated field)
 Enter in column 1 the total of column 1, lines 66 through 76.
 Enter in column 2 the total of column 2, lines 66 through 76.
 Enter in column 3 the total of column 3, lines 66 through 76.

OPERATIONS / MAINTENANCE

Cost Report

<u>Line Number</u>	<u>Description</u>
78. Salaries / Wages	Enter in column 1 the total number of hours worked by paid staff. Enter in column 2 the total number of hours worked by unpaid staff. Enter in column 3 all maintenance personnel salaries and wages.
79. Payroll Taxes	Enter in column 3 the cost of taxes paid by employer. Items include: <ul style="list-style-type: none"> - FICA - FUTA - SUTA
80. Employee Benefit Program	Enter in column 3 the cost of benefits paid by employer. Items include: <ul style="list-style-type: none"> - Dental insurance - Health insurance - Life insurance - Retirement - Uniforms - Worker's compensation
81. Contract Services	Enter in column 1 the total number of hours worked by individuals under contract. Enter in column 3 the cost of contracted maintenance and security services.

82. Supplies

Enter in column 3 the cost of all supplies and materials to operate and maintain home. Items include:

- Chemicals
- Shop supplies
- Tools
- Gasoline and oil for lawn equipment
- Non-capitalized equipment (lawn mower, etc.)

83. Other Operations/Maintenance Expenses

Enter in column 3 the other operations and maintenance expenses not already broken out in the above line items. Items to include:

- **Automobile & Truck Maintenance and Upkeep:** the cost of all maintenance and upkeep on vehicles owned by the agency. Items include: registration fees, gasoline, oil, tires, lubrication, and vehicle repairs
- **Repairs and Maintenance - Buildings and Grounds:** the cost of all materials and labor to repair and maintain buildings and grounds.
- **Repairs and Maintenance - Equipment:** the cost of all materials and labor to repair and maintain equipment. Items include: office equipment, furniture and fixtures, plant machinery and equipment
- **Utilities:** the cost for all utilities. Items include: electricity, gas (natural gas, propane, butane - NOT gasoline), fuel (fuel oil used to heat and cool building - NOT gasoline), water (water and sewer services)

84. TOTAL OF OPERATIONS/MAINTENANCE (this field is a calculation field)

Enter in column 1 the total of column 1, lines 78 through 83.

Enter in column 2 the total of column 2, lines 78 through 83.

Enter in column 3 the total of column 3, lines 78 through 83.

CAPITAL COST CENTER

PROPERTY / OWNERSHIP / USE

For Chart of Accounts depreciation account numbers 85-88, the guidelines provided by the United States Internal Revenue Service for tax purposes should be followed.

Cost Report
Line Number

Description

85. Depreciation

Enter in column 3 the cost of all depreciation which should include:

- **Land Improvements:** the cost of land improvements prorated over its expected life. Items include: parking lots, curbs and guttering, sidewalks, landscaping
- **Buildings and Improvements:** the cost of the building(s) and building improvements prorated over its expected life.
- **Equipment:** the cost of equipment NOT affixed to building prorated over its expected life. Items include: office furniture and fixtures, patient's room furniture and fixtures, office machines and equipment, telephone equipment, kitchen equipment, laundry equipment, maintenance equipment, lawn mowers and tractors, specialized medical equipment, wheelchairs, specialized educational equipment, computer equipment, software, security equipment
- **Automobiles:** the cost to purchase an automobile or van used by the home

86. Rent for Facility

Enter in column 3 the cost of renting or leasing facility where services are being provided to residents.

87. Other Capital Expenses

Enter in column 3 the other capital expenses not already broken out in the above line items. Items to include:

- **Rent for Other Buildings / Land:** the cost of renting or leasing other buildings or land. Include rent of homes rented for staff to meet resident requirements, temporary storage, land, etc.
- **Rent for Other Automobiles / Equipment:** the cost of leasing equipment. Items including copier rental, computer equipment rental, office furniture and equipment rental, telephone equipment rental, automobile leases, patient furniture and equipment, specialized medical equipment, wheelchair
- **Real Estate Taxes:** the cost of all property taxes.
- **Interest – Mortgage:** the cost of all mortgage interest on fixed assets (NOT on operating capital). Items include: land and land improvements, buildings and buildings improvements
- **Interest – Other Capital Assets:** the cost of all mortgage interest on fixed assets (NOT on operating capital). Items include: equipment, automobiles
- **Insurance - Fixed Assets:** the cost of all insurance on property ONLY. (NOT liability, worker's compensation, life or other non-property insurance)

88. TOTAL OF PROPERTY/OWNERSHIP/USE (this is a calculated field)

Enter in column 1 the total of column 1, lines 85 through 87.

Enter in column 2 the total of column 2, lines 85 through 87.

Enter in column 3 the total of column 3, lines 85 through 87.

NON-ALLOWABLE

Cost Report
Line Number

Description

- 89. Bad Debt**
Enter in column 3 the cost of bad debts in circumstances where a client being served by an agency and this revenue is diverted from paying for the cost of care.
- 90. Marketing**
Enter the cost of brochures, fliers, and advertising in the newspaper for the agency to increase business.
- 91. Other Related Party costs**
Enter the increased cost of transaction between parties due to them being related beyond what an arms length transaction with an unrelated party would cost.
- 92. Miscellaneous**
Enter in column 3 the cost associated with miscellaneous matters. Examples include state / federal income taxes, lobbyists, penalties, vending services, gifts or parties for employees or clients, bank charges, donations and contributions.
- 93. TOTAL OF NON-ALLOWABLE** (this is a calculated field)
Enter in column 3 the total of column 3, Line 89-92.

SUMMARY OF COST CENTERS TOTALS

Excel version will calculate automatically

Cost Report
Line Number

Description

- 94. TOTAL OF DIRECT COST CENTERS.**
Enter in column 1 the total of lines 57 and 65 in column 1.
Enter in column 2 the total of lines 57 and 65 in column 2.
Enter in column 3 the total of lines 57 and 65 in column 3.
- 95. TOTAL OF INDIRECT COST CENTERS.**
Enter in column 1 the total of lines 77 and 84 in column 1.
Enter in column 2 the total of lines 77 and 84 in column 1.
Enter in column 3 the total of lines 77 and 84 in column 1.
- 96. TOTAL OF CAPITAL COST CENTERS.**
Enter in column 3 the total of lines 88 in column 3.
- 97. TOTAL OF NON-ALLOWABLE COST CENTERS.**
Enter in column 3 the total of line 93 in column 3.
- 98. TOTAL OF ALL COST CENTERS.**
Enter in column 1, the total of lines 94, 95, 96, and 97 in column 1.
Enter in column 2, the total of lines 94, 95, 96, and 97 in column 1.
Enter in column 3, the total of lines 94, 95, 96, and 97 in column 1.
(Please note: this figure should match **line 19** (Schedule B))

99. TOTAL OF ALL ALLOWABLE COSTS

Enter in column 1, the total of lines 57, 95, and 96 in column 1.

Enter in column 2, the total of lines 57, 95, and 96 in column 1.

Enter in column 3, the total of lines 57, 95, and 96 in column 1.

100. TOTAL ACTUAL BILLED HOURS OF PERSONAL CARE

Enter in column 3, the total number of actual billed hours of personal care services provided by the agency for the respective fiscal year. Line **100** hours **can not be greater** than Line **94** (Direct Cost Center Hours).

101. AVERAGE COST PER BILLED HOURS

The excel spreadsheet calculates this field by taking line 99 and dividing by line 100.

COST REPORT INSTRUCTIONS FOR SCHEDULE D

Schedule D is to be utilized to indicate the method/s of allocating costs **and is required for any agency/provider that:**

- delivers multiple services
- is submitting multiple cost reports **by provider number** with accompanying individual financial statements.
- is using differing methods of cost allocation within the PCS Cost Report. Schedule D allows explanation of different allocation methods for different line items.

On this schedule please feel free to add new lines as you like and call (919-855-4200) if you have questions on what to do.

Your cost report will be incomplete if cost allocation information is needed and is missing.

Please clearly define your corporate overhead cost allocation (s).

If you are not required to use Schedule D, simply mark Schedule D as "**N/A**" and return it with your other Cost Report Schedules. Then on Line 11 of Schedule A, please indicate the basis for any allocation used, Example: "25% of total Program cost" or salary benefits allocated by % of salary.

To use this form indicate by line item the particular method utilized for allocating costs between the various services provided as well as value used. For an example: entering "% of total Program cost" does not give enough information; we will also need the actual % value. There are various methods which can be used. **The percentage of total costs is the most preferred method**, but depending on the way the agency has maintained their accounting records this may not be able to be done. Other methods which can be used include:

- **Percentage of staff time spent in particular areas – this is best used when staff is dedicated to particular services.**
- **Square footage is usually best used for facility expenditures.**
- **Other methods can be found in CMS 15 which is located on the internet at the following address:**
(http://www.cms.hhs.gov/manuals/pub151/PUB_15_1.asp)

During reviews by DMA, it was noticed that some used the *percentage of total revenue*. **This is the least preferred method.** Normally this method does not recognize the differences in the time nor take into account the requirements of the services.